

**The notice contains important information that requires your immediate attention.
Should you have any query about this notice, please seek independent professional advice.**

October 28, 2022

To Policyowners of Manulife Investment Plus (“MI Plus”) / Manulife Investment Solutions (“MISo”) / Alpha / Alpha Regular Investor (“ARI”) / Matrix (each a “Plan” and collectively, the “Plans”)

Merger of the Underlying Fund

We would like to notify you of the merger of the following merging underlying fund (the “**Merging Underlying Fund**”) corresponding to the following investment choices (each an “**Investment Choice**” and collectively, the “**Investment Choices**”) under the Plans with the following receiving underlying fund (the “**Receiving Underlying Fund**”) (the “**Merger**”), which will be effective on December 2, 2022 (the “**Effective Date**”).

Name of Plan	Name of Investment Choice	Name of Merging Underlying Fund	Share Class of Merging Underlying Fund	Name of Receiving Underlying Fund	Share Class of Receiving Underlying Fund
MI Plus and MISo	Manulife Inv Barings Developed and Emerging Markets High Yield Bond Fund (dist)	Barings Global Umbrella Fund - Barings Developed and Emerging Markets High Yield Bond Fund	Class A USD Inc Monthly	Barings Umbrella Fund plc - Barings Developed and Emerging Markets High Yield Bond Fund	Tranche G USD Dist Monthly
Alpha, ARI and Matrix	MIL Barings Developed and Emerging Markets High Yield Bond Fund		Class A USD Acc		Tranche G USD Acc

Underlying Fund Level

Background and rationale for the merger

According to the circular of Barings Developed and Emerging Markets High Yield Bond Fund dated August 18, 2022 (the “**Circular**”), the board of directors of Baring International Fund Managers (Ireland) Limited (the “**Directors**”), which is the manager of the Merging Underlying Fund (the “**Manager**”), have decided in consultation with the investment manager of the Merging Underlying Fund (the “**Investment Manager**”) that it is in the best interests of the unitholders of the Merging Underlying Fund to carry out the Merger. The overall Merger proposal is being undertaken in order to simplify Barings’ fund offering and improve the client experience. After the Merger, it is anticipated that the Merging Underlying Fund and all other Barings’ Irish Undertaking for Collective Investment in Transferable Securities high yield and emerging market corporate debt fund strategies will be established as sub-funds of Barings Umbrella Fund plc. Further, it is expected that the unitholders of the Merging Underlying Fund who take part in the Merger will pay same or lower fees, charges and expenses for their holdings in the new shares following the proposed Merger. The Receiving Underlying Fund has been set up with similar characteristics as the Merging Underlying Fund (as described in more detail in this notice), thereby allowing for long-term continuity and track record of the strategy. According to the notice of the Merging Underlying Fund dated October 10, 2022, the Merger was approved in the adjourned extraordinary general meeting of the Merging Underlying Fund held on September 26, 2022 and the Merger will become effective on December 2, 2022.

The Receiving Underlying Fund does not currently have any assets or liabilities and has been established solely for the purpose of continuing the investment objective and strategy of the Merging Underlying Fund, and thus the Receiving Underlying Fund will only be launched upon receipt of all net assets from the Merging Underlying Fund. The Receiving Underlying Fund will, immediately after the Merger, (i) be expected to have the same assets and liabilities, (ii) be managed in the same manner as the Merging Underlying Fund and (iii) have materially the same fee structure as the Merging Underlying Fund prior to the Effective Date.

Key comparison of the Merging Underlying Fund and the Receiving Underlying Fund

A summary of the key features of the Merging Underlying Fund and the Receiving Underlying Fund are set out below. Please refer to Appendix III of the Circular for additional details. You are encouraged to review the offering documents of the Merging Underlying Fund and the Receiving Underlying Fund.

Use of derivatives: Notwithstanding the drafting differences in disclosures, the investment policies on financial derivative instruments for the Merging Underlying Fund and the Receiving Underlying Fund are the same. The net derivative exposure of the Merging Underlying Fund and the Receiving Underlying Fund is up to 50% of their respective net asset value.

Key operators: Barings Asset Management Limited and Barings LLC are the Investment Manager and sub-Investment Manager of the Merging Underlying Fund respectively, whereas the two entities act as co-Investment Managers of the Receiving Underlying Fund. The depositary of the Merging Underlying Fund is Northern Trust Fiduciary Services (Ireland) Limited while the depositary of the Receiving Underlying Fund is State Street Custodial Services (Ireland) Limited.

Investment objective and policy: Set out below is a summary of a comparison of the key features of the investment policies and the risk profile of the Merging Underlying Fund and the Receiving Underlying Fund. Notwithstanding the differences, the investment policies of the Merging Underlying Fund and the Receiving Underlying Fund are materially the same, and it is the current intention of the Investment Managers to manage the Receiving Underlying Fund in the same manner as the Merging Underlying Fund immediately after the Merger. The investment strategies and risk profile of the Merging Underlying Fund and the Receiving Underlying Fund will be the same before and immediately after the Merger.

- i. Investment objective: The investment objective of the Merging Underlying Fund is to produce a high level of current yield in US dollar terms, commensurate with an acceptable level of risk as determined by the Manager in its reasonable discretion. Any capital appreciation will be incidental.

The primary investment objective of the Receiving Underlying Fund is to produce a high level of current income in US dollar terms, commensurate with an acceptable level of risk as determined by the Investment Manager in its reasonable discretion. Any capital appreciation will be incidental.

Notwithstanding drafting differences, the investment objectives of the Merging Underlying Fund and the Receiving Underlying Fund are the same.

- ii. Primary investment: The Merging Underlying Fund invests at least 70% of its total assets at any one time in a combination of debt and loan securities (including credit linked securities) of corporations and governments (including any agency of government or central bank) of any member state of the Organisation for Economic Co-operation and Development (“**OECD**”) and of any developing or emerging markets, while the Receiving Underlying Fund invests at least 70% of its net asset value in a portfolio of high yield fixed and floating rate corporate debt instruments and government debt / sovereign debt instruments globally in developed and emerging / developing markets.

Notwithstanding the drafting differences, the primary investment universe of the Merging Underlying Fund and the Receiving Underlying Fund are intended to be the same.

- iii. Investment in developing or emerging markets: For the Merging Underlying Fund, the Manager intends (subject to change in asset allocation if the Manager considers it to be in the interests of Merging Underlying Fund unitholders to do so) to invest one-third of the Merging Underlying Fund in securities of issuers operating in developing or emerging countries.

The Merging Underlying Fund may invest in securities of issuers operating in developing or emerging countries and listed or dealt in on a stock exchange or other regulated market in any such country, but will not invest more than 10% of its assets in such securities in each developing or emerging country, nor will it invest more than 10% of its assets in securities listed or dealt in on a stock exchange or regulated market in China. However, as part of its investment in emerging or developing markets, the Merging Underlying Fund may (without being subject to the above 10% limit) invest in securities of any issuer operating in any developing or emerging country which are listed or dealt in on a stock exchange or other regulated market in a member state of the European Union or the OECD.

On the other hand, the Receiving Underlying Fund’s investment in securities of issuers listed or dealt in on stock exchanges or regulated markets in any developing or emerging country will be less than 30% of its net asset value. However, as noted above, the investment policies of the Merging Underlying Fund and the Receiving Underlying Fund are materially the same, and it is the current intention of the Manager to manage the Receiving Underlying Fund in the same manner as the Merging Underlying Fund immediately after the Merger. Notwithstanding the foregoing, the Investment Managers may manage the Receiving Underlying Fund in such manner as permitted by its investment policy from time to time.

- iv. Investment in sub-investment grade securities: To achieve a high level of current yield, the Merging Underlying Fund intends to invest principally in sub-investment grade securities that are rated not lower than B- by Standard & Poor’s or another internationally recognised rating agency or which are, in the opinion of the Manager, of similar

credit status. The Manager may also invest in lower grade securities but it is its policy that the value of all such securities does not comprise more than 10% of the net asset value of the Merging Underlying Fund.

On the other hand, the Receiving Underlying Fund will invest less than 30% of its net asset value in sub-investment grade securities rated lower than B-. However, as noted above, the investment policies of the Merging Underlying Fund and the Receiving Underlying Fund are materially the same, and it is the current intention for the Manager to manage the Receiving Underlying Fund in the same manner as the Merging Underlying Fund immediately after the Merger. Notwithstanding the foregoing, the Investment Managers may manage the Receiving Underlying Fund in manner as permitted by its investment policy from time to time.

- v. Investment in LAP: Both the Merging Underlying Fund and the Receiving Underlying Fund may invest less than 30% of its net asset value in debt instruments with loss absorption features, out of which no more than 10% of their respective net asset value may be invested in convertible contingent bonds.

For the full disclosure of the investment objectives / policies of the Merging / Receiving Underlying Funds, please refer to the respective offering documents.

Fees and Expenses

Following the Merger, the shareholders of the Receiving Underlying Fund are expected to pay the same or lower ongoing charges. Please refer to the table below for illustration, which sets out the management fee, administration, depositary and operating fee and the ongoing charges (as a percentage of the Merging Underlying Fund and Receiving Underlying Fund's net asset value) for the respective classes of existing units in the Merging Underlying Fund and the corresponding tranches of new shares of the Receiving Underlying Fund.

	Merging Underlying Fund	Corresponding Share Tranche in the Receiving Underlying Fund	Merging Underlying Fund	Corresponding Share Tranche in the Receiving Underlying Fund
Share Class of Underlying Fund	Class A USD Inc Monthly	Tranche G USD Dist Monthly	Class A USD Acc	Tranche G USD Acc
Management Fee	1.00%	1.25%	1.00%	1.25%
Administration, Depositary and Operating Fee	0.45%	0.20% ¹	0.45%	0.20% ¹
Ongoing charges	1.45%	1.45%	1.45%	1.45%

The types of fees and expenses that are payable out of the assets of the Merging Underlying Fund and the Receiving Underlying Fund are the same, although the way in which such fees and expenses are charged are slightly different. The Merging Underlying Fund charges a fixed administration, depositary and operating fee, whereas such fee of the Receiving Underlying Fund is up to 0.20% p.a. of the net asset value attributable to the relevant Tranche.² Notwithstanding the foregoing, the fee structures of the Merging Underlying Fund and the Receiving Underlying Fund are materially the same.

Rebalancing and merger procedure

It is not expected that re-balancing of the portfolio of the Merging Underlying Fund will be required before the Merger can become effective. The Merging Underlying Fund will continue to accept subscription, switching or redemption requests until 4 business days prior to the Effective Date, being 5 p.m. (Hong Kong time) on November 28, 2022, or such later date as may be notified to the unitholders of the Merging Underlying Fund (the "**Last Dealing Date**"). Dealing in new shares of the Receiving Underlying Fund will be permitted on the first dealing day of the Receiving Underlying Fund after the Effective Date, being December 5, 2022.

¹ Assuming the administration, depositary and operating fee is charged at the capped level of 0.20% of the Receiving Underlying Fund's net asset value attributable to the relevant Tranche.

² Please refer to the Hong Kong offering documents for the Merging Underlying Fund and Receiving Underlying Fund for further details on the respective administration, depositary and operating fee.

Merger costs

There are no unamortized preliminary expenses relating to the Merging Underlying Fund. All associated costs of the Merger will be borne by the Manager, including legal, advisory and administration cost, as well as the costs associated with the transfer of assets of the Merging Underlying Fund to the Receiving Underlying Fund (such as broker transactions costs, any stamp duty and other taxes or duties).

The currency of share class of the Merging Underlying Fund and Receiving Underlying Fund after the Merger will remain the same.

For details of the Merging / Receiving Underlying Funds and the Merger, please refer to the Circular of Barings Developed and Emerging Markets High Yield Bond Fund.

Investment Choice Level

After the merger, the Investment Choices will be linked to the Receiving Underlying Fund and the share class and management fee of the Investment Choices will be changed accordingly as follows:

	Manulife Inv Barings Developed and Emerging Markets High Yield Bond Fund (dist)		MIL Barings Developed and Emerging Markets High Yield Bond Fund	
	From	To	From	To
Share Class of Underlying Fund	Class A USD Inc Monthly	Tranche G USD Dist Monthly	Class A USD Acc	Tranche G USD Acc
Management Fee Per Annum of the Net Asset Value of the Investment Choice*	1.50%	1.75%	1.50%	1.75%

* Note: The management fee shown (equivalent to the term “Investment Management Fee” used under Manulife Investment Solutions, Alpha and Matrix) includes any management fee charged by the management company of the corresponding underlying fund(s)/assets plus any management fee charged by Manulife. Please note that the underlying fund may be subject to other charges, e.g. performance fee. For details of the fees and charges of any underlying fund, please refer to the latest offering documents of the underlying fund.

In view of the above, with effect from the Effective Date, the management fee of the Merging Underlying Fund will be increased after the Merger. In view of such, the management fee / investment management fee per annum of the net asset value of the Investment Choices will also increase accordingly following the Merger.

For avoidance of doubt, there will be no changes in the risk level of the Investment Choices after the merger. Further, the merger will have no impact on the number of units you are holding in the Investment Choices.

Trading Timeline

Due to the close of dealing in the Merging Underlying Fund mentioned above, the valuation and dealing of the Investment Choices will be suspended from November 29, 2022 to December 2, 2022 (both days inclusive). All instructions (including but not limited to any lump sum and regular subscription, redemption and switching) received by us during the aforesaid suspension period will be processed after the resumption of valuation and dealing for the Investment Choices on December 5, 2022 after the merger. During the suspension, policyowners may withdraw or change his/her instructions in respect of any subscription, redemption or switching of units of the Investment Choices.

Pursuant to the relevant Principal Brochures relating to the Investment Choices, Manulife (International) Limited (Incorporated in Bermuda with limited liability) (“**Manulife**”) may suspend dealing and determination of the net asset value of an investment choice in the circumstances that in the opinion of Manulife, acting in good faith and commercially reasonable manner, it is not practical or is prejudicial to the interest of the policyowners to realize any underlying investments or assets of the investment choice.

Your Action

(i) For existing holding of notional units of the Investment Choice(s)

If you are holding any notional units of the Investment Choice(s) and no longer wish to hold such Investment Choice(s), you may switch out such holding free of charge starting from the date of this notice **until 3:00pm on November 28, 2022**, both dates inclusive (the “**Period**”), to any other investment choice(s) that is/are open for subscription under the respective Plans.

Please note that the minimum switching amount requirement of the Plans is waived during the Period when you

instruct us to switch your entire units of the Investment Choice(s) to any other available investment choice(s) under the respective Plans that is/are open for subscription at the time of switching. We would very much appreciate your provision of switching instruction by sending the completed and signed prescribed form to our Administration Office within the Period.

(ii) For existing regular subscription to the Investment Choice(s)

If you have arranged regular subscription to the Investment Choice(s), you may change such subscription allocation instruction to any other investment choice(s) that is/are open for subscription under the respective Plans free of charge, by sending a completed and signed prescribed form to our Administration Office **before 3:00pm on November 28, 2022**, to update your regular subscription allocation instruction. Please be reminded that the minimum subscription amount requirements under the Plans are still applicable.

If we do not receive any instruction from you by the end of the Period, your existing holding and/or future allocation will remain in the Investment Choices linked to the Receiving Underlying Fund after the Effective Date.

Please refer to the Principal Brochure – Investment Choice Brochure of the relevant Plans and the offering documents of the underlying fund linked to other investment choices for further details about such other investment choices and the corresponding underlying fund, including but not limited to the investment objective and policies, risk factors and related fees and charges. The offering documents of the underlying fund (including the Receiving Underlying Fund) corresponding to the investment choices under the Plans are made available by Manulife upon request.

If you have any enquiry, please do not hesitate to contact your Manulife Insurance Advisor or call our Customer Service Hotline at (852) 2108 1110 (in relation to MI Plus and MISo) and (852) 2510 3941 (in relation to ARI, Alpha and Matrix) in Hong Kong or (853) 8398 0383 in Macau during office hours: 9:00am - 6:00pm, Monday to Friday.

Customer Services
Individual Financial Products
Manulife (International) Limited
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